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Research Plan Summary for Pell-IRS

Track 2 – Best Practices Analysis in Verification and QA

1. Summary

The purpose of the Track 2 portion of the Pell-IRS study is to develop a report that details the following information

a) A description of the current baseline FSA practices for preventing and detecting errors in the awarding of Pell grants to college students.
b) The Best Practices used by a "wide range of institutions" to prevent errors in income based programs
c) The Best Practices used by a wide range of institutions to detect errors – especially those arising due to fraud, waste, and abuse – in income based programs.

The "wide range of institutions" referenced in the above narrative include the following types of organizations:

a) **Higher education institutions**, especially those schools identified as QA – Quality Assurance schools. QA schools are institutions that go beyond the parameters of typical verifications of their financial aid applicants. Among the QA schools with which we have had preliminary contact are:

    i) George Mason University.
    ii) Harvard University.
    iii) Kent State University.

b) **Academic Associations**, especially those involving higher education professionals involved with the awarding of financial aid and operating the financial functions of colleges and universities. The two associations being targeted as primary association contacts are the:

    i) NASFAA – National Association of Student Financial Aid Administrators
    ii) NACUBO – National Association of College and University Business Officers.
    iii) CBA – Consumers Banker Association

c) **Other Government Agencies**, especially those managing need-based award programs. The main agency to be contacted for this effort is OMB. Among the Other Government Agencies considered to be in this category are:

    i) Agriculture's food stamp program

ii) Housing and Urban Development's Section 8 housing program
iii) Medicaid's medical payments program.
iv) Social Security Administration's retirement benefits program
v) Veterans Administration's veterans benefits program

d) **Financial Institutions**, especially those providing credit based on income. Among the types of organizations considered to be in this category are:

i) Banks
ii) Credit card companies

In addition to the "wide range of organizations" discussed above, Track 2 will also identify **Academic Researchers** whose work is cited by the contacts in the above named organizations as experts on preventing and detecting errors in income based award programs.

2. Roles and Responsibilities

The primary individuals staffing the Track 2 efforts are Howard Bell and Kasia Kozaczuk. Both of these individuals are scheduled to spend 200 hours each working on this project from March 11 through August 31, 2002. In addition to Howard and Kasia, Joe Willey serves as the overall Project Manager for Track 2. All three of these individuals report to Dottie Kingsley, Director of the Program Analysis Division.

The primary role of Joe, Howard, and Kasia are as follow:

a) **Joe Willey** is the Project Manager for the entire Pell-IRS Research project. This project is divided into three Tracks. Joe is charged with overseeing the timely and quality completion of all three Tracks. He is also responsible for ensuring that there is ongoing communication and coordination of activities among the people working on each Track.

b) **Howard Bell** is the lead researcher on Track 2. Howard is charged with developing, managing, and successfully concluding all Track 2 activities. Howard will spend approximately two (2) days per week at PAD's facilities. Additional aspects of Howard's involvement on the Track 2 project include his:

i) Leading the efforts to identify the initial set of potential contact persons to be interviewed at financial institutions, schools, educational associations, and other government agencies.
ii) Interviewing contacts and participating in Pell-IRS Research team meetings
iii) Working with Kasia to analyze the information they have gathered from publications and other documents containing information on Best Practices for preventing and detecting errors and fraud, waste, and abuse in income based award programs.

iv) Working with Kasia to analyze information they have gathered from interviews with the people at the "wide range of institutions" referenced in the above narrative.

v) Submitting summary reports at the conclusion of each segment of the Track 2 research project.

vi) Providing Dottie Kingsley and Joe Willey with weekly progress reports on the Track 2 project.

vii) Drafting the final paper to Dottie summarizing the findings of the Track 2 project.

c) **Kasia Kozaczuk** is the primary contact person for Track 2. She will be onsite at PAD's facilities five (5) days per week. Additional aspects of Kasia's involvement on the Track 2 project include her:

i) Arranging meetings for both Howard and her to meet, singly or together, with the contact people at the "wide range of institutions" referenced in the above narrative.

ii) Arranging meetings for both Howard and her to meet, singly or together, with Academic Researchers.

iii) Obtaining and reviewing the various publications and other documents containing information on Best Practices for preventing and detecting errors and fraud, waste, and abuse in income based award programs.

iv) Reviewing and working with Howard to analyze the information they have gathered from publications and other documents containing information on Best Practices for preventing and detecting errors and fraud, waste, and abuse in income based award programs.

v) Working with Howard to analyze information they have gathered from interviews with the people at the "wide range of institutions" referenced in the above narrative.

vi) Providing Howard with input to be used in his Summary reports to Dottie at the conclusion of each segment of the Track 2 project.

vii) Providing Howard with input to be used in the final paper to Dottie summarizing the findings of the Track 2 project.

viii) Reviewing and proposing changes in the final paper to Dottie summarizing the findings of the Track 2 project.

3. Draft Interview Script

In both scheduling and conducting interviews with the Academic Researchers and the contact people at the "wide range of institutions" referenced in the above narrative, the following guidelines should be observed:

a) Emphasis should be placed on seeking Best Practices for preventing and detecting errors in income based programs, especially those that simplify operations while improving program accuracy.

b) Interviews should concentrate on gently coaxing information out of the interviewee, hence interviews should be conducted in:

   i) A relaxed manner
   ii) With a brief period of conversation designed to calm the interviewee and assist him/her to view the interview as a friendly chat

c) Interviews should seek to:

   i) Obtain additional leads to other sources of Best Practice information
   ii) Obtain insights into how a given Best Practice being discussed shares elements of or is different from a similar Best Practice that is under review or about which the interviewee is aware.

d) Interviews should not be confrontational and should avoid:

   i) Combative questions – if an interviewee is not forthcoming with information it is better to end the interview and seek answers elsewhere.
   ii) Injecting the interviewer's views of the preferred Best Practice.

In conducting interviews the following comprise a standard set of questions that should be asked during interviews: The exact combination of questions asked will vary from interviewee to interviewee.

a) What percentage of applicants is selected for some form of verification?
b) What percentage of applicants is actually verified?
c) Of the applicants selected for some form of verification, what attributes are being verified? For example:

   i) Income
   ii) Employment history
   iii) Credit history
   iv) Other

d) Have you identified groups of applicants that are more likely than others to make honest errors in completing their forms? If so:

   i) What types of errors are they most likely to make?
   ii) What are the distinguishing attributes of this group?

e) Have you identified groups of applicants that are more likely than others to cause intentional errors in their applications? If so:

   i) What types of misstatements are they most likely to make?
   ii) What attributes, if any, distinguish this group from honest applicants?
   iii) What attributes of this group are the same as those of honest applicants?

f) What steps do you take to prevent errors from occurring? For example, do you, directly or indirectly, engage in:

 i) Education programs?
 ii) Studies to identify what questions on the form are most likely to produce errors?

g) What steps do you take to detect errors that have been made? For example, do you:

 i) Ask for the most recent IRS income tax filing?
 ii) Obtain written permission to contact the IRS to verify the applicant's income?
 iii) Use an electronic audit tool to identify:

  a) Inconsistent statements?
  b) Statements that fall outside of an expected range of answers?